

**REMARKS/ARGUMENTS**

Claims 13 and 21 - 24 are pending. Claims 14 - 20 have been canceled without prejudice or disclaimer. Claims 21 - 24 have been appended.

Claims 13-20 are rejected under 35 U.S.C. 102(e) as being anticipated by Nambudiri et al., U.S. Patent No. 6,640,214.

Amended claim 13 and appended claims 21 - 24 are directed to a portable communication terminal. The portable communication terminal includes "a receiver operable to receive from the transaction terminal card information containing information relating to an identity of a credit card user" and a "a transmitter which transmits the current location information to a host computer." *Claim 13*. The portable communicator thus sends current location information at the time of the settlement of the transaction. This means that the host computer is able to identify a credit card user as an authentic cardholder based on the current location information of a portable communication terminal and on the location information of the transaction terminal.

Nambudiri et al. describe a system comprising a host computer (16) that is located in a shopping establishment. *Col. 5, lines 38 - 40*. The system further includes a portable terminal (40) that is used by a consumer and a home cradle (30) to which the portable terminal can be connected. *Col. 6, lines 7 - 9, lines 28 - 30*. In operation, data in the form of bar code information that is stored in the portable terminal (40) is downloaded to the host computer (16) via the home cradle (30). *Col. 7, lines 8 - 15. See also col. 10, lines 19 - 41*.

Nambudiri et al. do not disclose a portable communication terminal having "a receiver operable to receive from the transaction terminal card information containing information relating to an identity of a credit card user." *Claim 13. See also claim 21*. In fact, the portable terminal (40) of Nambudiri et al. only sends information (e.g., bar codes) to the host computer (16) of the shopping establishment. Their portable terminal does not receive "card information containing information relating to an identity of a credit card user."

Nambudiri et al. do not a portable communication terminal having "a transmitter which transmits the current location information to a host computer." Instead, the portable

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terminal (40) of Nambudiri et al. transmits bar code information. Their portable terminal sends identification information. *Col. 7, lines 36 - 53*. There is no location information that is transmitted.


For at least the foregoing reasons, the Section 102 rejection of claim 13 is believed to be overcome. For at least the same reasons, appended claims 21 - 24 are believed to be allowable over the cited art.

### CONCLUSION

In view of the foregoing, all claims now pending in this Application are believed to be in condition for allowance. The issuance of a formal Notice of Allowance at an early date is respectfully requested.

If the Examiner believes a telephone conference would expedite prosecution of this application, please telephone the undersigned at 650-326-2400.

Respectfully submitted,

  
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